

# Termeden Spa & Icheon, Korea :

## Well-Positioned International Marketing?

Early one November evening, after struggling to find the rural location, two chilled travellers arrive at Korea's Termeden Spa. Steam from the hot waters rises skyward into the crisp autumn air, but the lights are off - the baths are closed... The first German-style kurhaus in Asia, Termeden is an oasis of well-being in the Korean countryside, with a bountiful natural hot spring source supplying multiple baths & pools indoors and out.

Bruce Henry Lambert  
Localversity®

# Termeden Spa & Icheon, Korea : Well-Positioned International Marketing?

Early one November evening, after struggling to find the rural location, two chilled travellers arrive at Korea's Termeden Spa. Steam from the hot waters rises skyward into the crisp autumn air, but the lights are off - the baths are closed... The first German-style *kurhaus* in Asia, Termeden is an oasis of well-being in the Korean countryside, with a bountiful natural hot spring source supplying multiple baths & pools indoors and out.

*Localversity Case Study*

ISBN 978-89-7182-260-9



9 788971 822609

0 3 3 2 0

값 10,000원



## Dr. Bruce Henry Lambert

Bruce Henry Lambert is Managing Partner of Helpnet, a destination marketing consultancy in Stockholm, Sweden. An adjunct professor at Waseda University (Japan), Aalto University (Finland), and SHBS, he's also Senior Research Fellow with the Nordic Institute of Asian Studies. He has taught at Sookmyung since 2005. Dr. Lambert has traveled to some 70 countries and has university degrees from four nations; his doctorate is in Management Strategy from the University of Oxford. His recent research work focuses on local development strategies, the experience economy & lifestyle design. Contact: [bruce@reorient.com](mailto:bruce@reorient.com)

*This case grew through collaborative data collection, editing and translation, developed by:*

## Kayoung Lee

Completed double major in Psychology and Business Administration at Catholic University. She worked for the Cathay subsidiary, Dragon Airlines Ltd, based in Hong Kong, as a flight attendant for three years. Currently taking Le Cordon Bleu Hospitality MBA course at Sookmyung Hospitality Business School.

## Ryung Yi Chung

She received her B.A in Mass Communication and English Language and Literature at Sookmyung Women's University. While living in Singapore and Hong Kong she got interested in the hospitality industry and attended Le Cordon Bleu Hospitality MBA course at Sookmyung Hospitality Business School. Currently works organizing conventions.

Termeden Spa & Icheon, Korea :

# Well-Positioned International Marketing?

Bruce Henry Lambert

Localversity®



## Termeden Spa & Icheon, Korea : Well-Positioned International Marketing?

2011년 2월 25일 초판 1쇄 발행 -- 25 Feb 2011 (First revised edition)

지은이 | 브루스램버트, 이가영,  
정령이 펴낸곳 | 숙명여자대학교

출판등록 | 제3-52호

등록일자 | 1968. 3. 20

주 소 | 서울특별시 용산구 청파로 47길 100 숙명여자대학교(140-742)

ISBN | 978-89-7182-260-9 03320

이 저술은 숙명 호스피탈리티 경영전문대학원 2009년도 사례개발비의 지원을 받았음

Lambert, Bruce Henry (2011) *Termeden Spa & Icheon, Korea: Well-Positioned International Marketing?* (Hospitality Case Bank 004) Seoul: Sookmyung Hospitality Business School.

# Table of Contents

1. Introduction .....	5
2. Background & Trends in the Spa Industry .....	7
1) Hot Springs in History	
2) Worldwide Spa Industry Overview	
3. Background to Termeden Spa, Icheon .....	17
4. Flaccid Hospitality: Termeden Weaknesses .....	20
5. Can Termeden Become a Driver for Regional Development? .....	24
6. Conclusions & Implications .....	27
Discussion Questions .....	28
References .....	32



# 1. Introduction

Termeden Spa, by Seoulim Resort Inc., is Asia's first German-style spa. Situated in the Icheon countryside about one hour from Seoul, the extensive operations include assorted baths and ecologically-friendly facilities for sauna, exercise, relaxation and well-being, surrounded by extensive walking trails, fresh air & quiet. But after opening in 2006 and developing over subsequent years, Termeden falls far short of its potential. Among the difficulties are poor supporting infrastructure, lack of convenient dining & accommodation, limited open hours, poor signage (many roadside signs use only Korean Hangul), etc. Yet the spa itself is one of Korea's finest, a world-class natural spring with excellent open-air baths available year-round, situated relatively close to Seoul in a beautiful rural area, attractive also for art pottery and delicious foods. The spa is potentially a huge magnet for international tourists, especially from Japan & Taiwan, where hot springs culture is highly advanced. This case study examines the infrastructure and hospitality systems of Termeden as it develops into a truly world-renown spa destination.





Photo source: B. H. Lambert

## 2. Background & Trends in the Spa Industry

Hot springs & spas have attracted humanity throughout the ages, providing opportunities for cleansing, relaxation, social interaction, sensuous renewal, quiet retreat, health improvement, and beauty cultivation. Assorted treatments & therapies use water, steam, mud, heat, human touch, aromatic oils, mechanical vibration, and a long list of other offerings. Throughout Korea, a wide range of top quality spa and revitalizing health facilities are available, with an extensive network of health-oriented bathhouses or sauna, *jjimjilbang* **찜질방**, open to the public at moderate prices.

Spas are an experiential product different from many other consumer goods. Hot spring visitors enjoy the intrinsic benefits of their spa experience, and often also accrue social status. In many societies, those able to put aside time for leisure and invest in well-being are thought to be successful in contrast to people tied to a tough work schedule. But in Germany, for example, spa visits are regularly prescribed through the medical system, and often paid for through the federal health insurance system. People's attitudes toward spas vary considerably around the world. Some spas are marketed as luxurious locations for pampering, others for their preventive care or challenging fitness regimes, and others simply as places to have fun.

Industrial development, technological efficiency and global economies-of-scale have brought unprecedented comfort and success to vast numbers of the world's people. Leisure time & discretionary income have increased enormously. But still our modern living is

stressful in numerous ways, and many people find great benefits in day & overnight rejuvenating spa visits. The well-designed therapeutic spa creates a refuge from the everyday world of noise, stress & advertisement, calming each of our senses. It is a popular, quickly growing industry.

In a recent major study of the spa industry titled *Health and Wellness Tourism* (Smith & Puczkó, 2008), 55 different nations are mentioned by name; Korea is unlisted, although there are 13 specific mentions of Japan, and five for China. Many dimensions of Korean culture, and specifically Korea's extensive spa & wellness resources, are still little known outside the country, but this indicates a great opportunity for expanding the role of this sector. The spa industry provides the chance to globally position Korea as a bright & dynamic, health-oriented culture. International marketing of Korea as a spa holiday destination is also a fine way to promote the government's "Visit Korea" tourism goals, which seek to boost overseas tourists from 7 million in 2009 to 8.5 million in 2010, a roughly 20% annual increase.

Because readers of this case may be unfamiliar with hot springs and the attractions of spa-related businesses, some key background details & anecdotes are included below.

## **1) Hot Springs in History**

People have made use of natural hot springs since time immemorial as a place for cleaning, refreshment and distinctive microclimate; animals and other creatures are also attracted to such places. Paleolithic human remains have been found around hot springs in China, Italy, Turkey, Japan and elsewhere. In Greece, the

salt-water spa Aedipsos (Edipsos) is said to have been in use for at least 20,000 years. China's Huaqing Hot Springs 华清池 / 華清池 (near Xian) has a reported history of 6000+ years, and the waters are still enjoyed today.

Natural hot waters, often felt to be especially healing, are rather rare, and are considered by some to be sacred or spiritual centers. The ancient Greeks believed the hot springs were gifts from the Naiad nymphs Pegaiai; the Romans worshipped Camenae, Fontus, Juturna & Sul Minerva. Other gods and goddesses linked to healing & hot springs were the Celtic Adsullata, Sul or Sulis; Ireland's Bel; the Breton / Gallic gods Borvo & Grannus. The ancient Franks worshipped Cirona; and the Japanese Sukuna-Biko; Aleyin protected Middle Eastern hot springs, while Scandinavians thanked the Norse goddess Laga for such comforting waters.

The ancient Greeks & Romans had a sophisticated bath culture, with highly-popular spas & public bathing systems. Detailed descriptions still exist of travels by Emperors & Empresses, Kings, military generals & other ancient personages to health spas around Europe, Asia Minor, North Africa, the Middle East and Asia.

A famous early place for thermal spring treatment was located at modern Bath in the UK. The spa town of Aquae Sulis was built there by the Romans 2000-years ago, with a temple dedicated to Minerva; the bathing facilities attracted visitors from throughout the Roman Empire. The baths still exist, supplemented by assorted more recent construction, but local knowledge of the hot springs existed prior to the Roman conquest. Legend claims that Bladud, prince of the Britons, had contracted a horrible skin ailment and was banished from the Royal Court. Reduced to herding scrofulous swine, the migrating

pigs found warm mud that cured all their skin problems and subsequently those of their herder. Bladud regained his title, subsequently became King, and founded a settlement at that spot which later became Bath. The city later became a key part of a huge 18th and 19th century spa boom: when hundreds of great and glamorous spas were developed, first in Europe and soon around the world, frequented by royalty & the aristocracy, artists & high society, the wealthy & those less so. These grand spas were places for exercise, for soaking in the springs, and for drinking the mineral waters, as well as centers for gossip, romance & intrigue.

Onyang Hot Spring in Chungcheongnam-do, Korea, said to be 1300-year old (according to the Korean Tourism Organization), is the nation's oldest known hot spring; where businesses have been operating for over 600 years. Now more than five million tourists visit Onyang Hot Spring annually; among early guests was Sejong the Great, Korea's ruler from 1418 to 1450.

As in ancient Greece, Rome, and before, some people will travel extensively to experience hot springs. The spa industry globally is huge, with natural hot springs comprising only the core segment of assorted health and beauty services (including, for example, massage, defoliation, aromatherapy, etc.). Though the spa industry is rooted in a past age, when other medical treatments were unavailable, the health & healing dimensions of spas remain widely appreciated today.

Visitors to a hot spring bath find that to immerse one's body into the warm waters is deeply relaxing, and ultimately refreshing. The heat relaxes entire muscle systems, while the humidity and steam allow easier breathing. There are assorted claims of functional

benefits from minerals or other qualities of the water dependent on whether the bath is alkaline or acidic (pH level), radon level, etc. Spa visitors can have fun and feel good.

## **2) Worldwide Spa Industry Overview**

Why do people visit spas? Smith & Puczkó (2008) list the following considerations as “Push - Pull Factors in Health & Wellness Tourism” (unranked):

- Escape from everyday life, work & stress
- Breakdown of community & social support networks
- Loss of traditional religion
- Need to develop or improve self
- The desire to downsize, simplify or slow down life
- Influence of media & celebrities
- Travel to beautiful, peaceful landscapes to rest
- Search for like-minded people
- Spiritual quest
- Workshops or treatments with specific aims
- Rest, recuperation, stress relief
- Active programs of weight loss, detox, cosmetic surgery, etc.

A “Typology of Health & Wellness Tourism” classifies these assorted types of businesses:

<b>Tourism Domain</b>	<b>examples</b>
Physical Healing	Medical spas; Surgery trips; Rehabilitation retreats
Beauty Treatments	Cosmetic surgery trips; Hotel/Day spas
Relaxation / Rest	Pampering spas; Wellness hotels; Thalassotherapy centers
Leisure / Entertainment	Spa resorts with 'fun waters'; Sport/ fitness holidays
Life / Work Balance	Holistic centers; Occupational wellness; Life-coaching workshops
Psychological	Holistic centers; Workshops (e.g. Hoffmann, Psycho-Drama)
Spiritual	Meditation retreats; Yoga centers; Natural energy spas; Pilgrimages

Smith & Puczkó (2008, p.84) - slightly adapted

What's the attraction of hot water? Numerous dimensions are at work on a person immersed in a hot spring: 1) Warmth - Warming the body increases blood flow to the extremities; those suffering from arthritis, rheumatism, back pain or muscle soreness often report relief from use of hot springs. Relaxation of major muscle groups often subsequently results in deeper, more refreshing sleep. 2) Humidity - The upper respiratory system moistens the air we breathe, filtering dust and toxins. The nose, throat and sinuses are often dry, and respond positively to warm moisture and steam of the hot spring; the change from an overly dry condition will often noticeably

enhance the senses of smell & taste. 3) Change of pH - The complex microflora of the skin and any associated biofilm, as well as simple dryness, can be a chronic irritant. Immersing the body in a more acidic or alkaline solution than accustomed to (in contrast to a municipal water supply for example) may help achieve a better and more comfortable skin surface balance. Tensions and distractions stemming from skin ailments are often greatly relieved by immersion. 4) Minerals - Some establishments recommend drinking their water, and there can be gastrointestinal benefits. There is growing evidence that a process of chemiosmosis involving proton gradient may take place, where the body can wick-up needed nutrients and becomes better able to discard poisons and impurities. 5) Buoyancy & movement - When buoyant in water, the body's alignment and ease of movement changes markedly. Some people otherwise unable to move freely may enjoy therapeutic exercises or achieve a condition of balance when immersed in water.

The extent that natural hot springs promote healing or holistic health is open to analysis and debate, but there is no doubt that the spa market is huge and growing. As part of the Korean hospitality sector, the industry employs tens of thousands of people. It is also a business with substantial economic impact in often remote areas of the rural countryside.

In terms of the business of managing a hot spring, safety must be a key consideration. Spas built around water features have inherently dangerous dimensions, even more so if outdoors. There is danger to slip on wet walkways. The waters must be monitored for freshness and proper temperature. Customers might drown, or those with health problems overheat. Some customers enjoy alcohol too exuberantly,

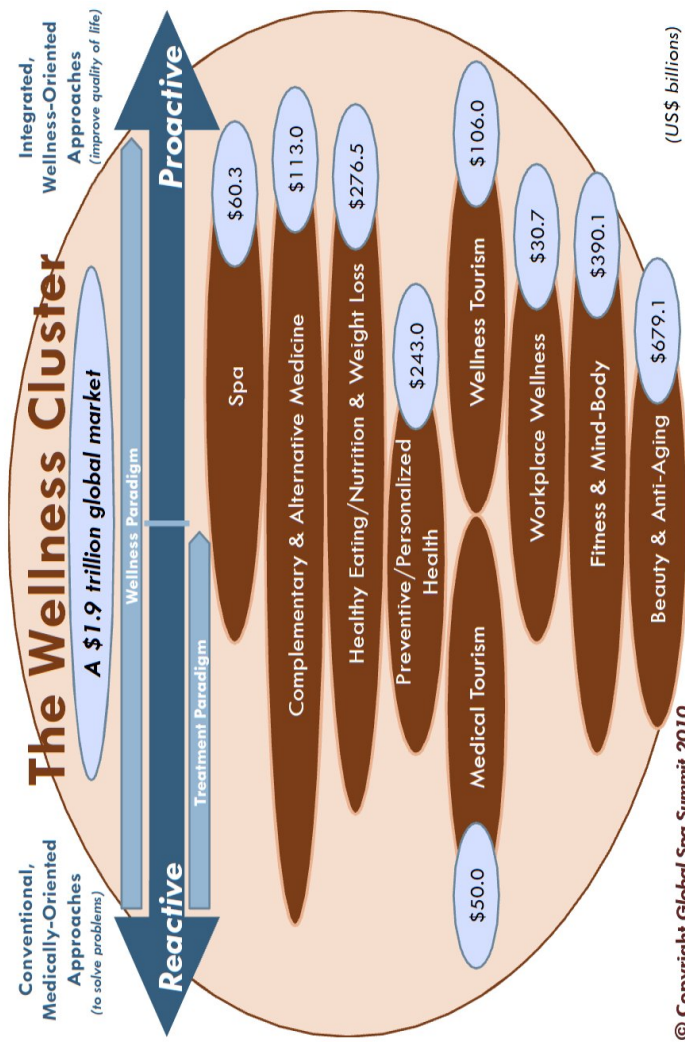


becoming dangerous to themselves or to others. The natural excitement and exuberance of children must somehow coexist with guests who are aged or infirm.

Worldwide detailed data on the spa industry is sketchy and often unreliable. One difficulty is that industry growth, recently about 20% per year, has outpaced data collection. Another dimension is that industry secrecy & competitiveness often preclude exchange of information. A more trying difficulty is that the definition of spa, and spa-associated industries, is imprecise. Some nations have rigorous licensing requirements, especially in continental Europe, where spas have been an important part of the medical establishment. The word ‘spa’ stems from Spa, the Belgian hot spring town; and perhaps prior to that derived from the Latin phrase *Sanus Per Aquam* (or *Salute Per Aqua*) meaning “health through water.” Some purists thus believe a spa must by definition include water-based therapies, or natural mineral springs. But use of the terminology now includes assorted other facilities, with many “day spa” focusing on nail, hair or beauty treatments. Thus the Global Spa Summit defines “spa” rather broadly as “an establishment that focuses on the promotion of wellness” (SRI International, 2008, p.5-6), without regard to service type, minimum size, or treatment mix.

Using such criteria, the Global Spa Summit and SRI developed a typology of different spas and spa-related businesses. Their *Global Spa Economy 2010* calculates wellness as a US\$1.9 trillion global industry. SRI’s *Global Spa Economy 2007* determined the size of the global spa industry (including core operations and spa-related real estate, hospitality & tourism) as US\$254.66 billion in 2007.

# Estimated Global Market Size of the Wellness Industry Cluster



A reported 71,762 spas were in operation worldwide in 2007, employing 1,223,510 people. South Korea alone had 2465 spas, employing 31,974 people, and generating US\$1.26 billion in direct revenues. Based on such revenues, Korea ranks 10th in the world, with the top five spa markets in terms of revenue being the USA, Japan, Germany, France and Italy. The spa market in the USA is an estimated ten times bigger than that in Korea. An estimated 142 million “spa trips” lasting one or more nights were taken worldwide in 2007; 12.4% of these involved international travelers, who spent US\$40 billion (US domestic spa tourists spent US\$66 billion; SRI International, 2008, p.35). The overall markets for spa, health, beauty & wellness are huge, estimated at US\$1099.68 billion. These markets are growing quickly – perhaps Korea could attract a larger share of such healthy business?

### 3. Background to Termeden Spa, Icheon

Termeden is located on 43 hectares of mostly forested land on the outskirts of Icheon City, Gyeonggi-do, South Korea. The site is about 11 kilometers from the center of Icheon, and 57 km southeast of Seoul. Seoulim Resort Inc. has a master development plan for the region, evolving since the 1990s, envisioning a four-seasons resort with hotels, condominiums, a theme park, and extensive outdoor recreation, golf and sporting facilities. (Details available via <http://www.termeden.com>). The Icheon hot springs have been known for many centuries, reportedly long ago often hosting King Sejong and King Sejo. Termeden Spa source is from a half dozen wells, 1000 to 1500 meters deep, supplying large amounts of naturally hot water at 40 to 50 degrees Celsius.

Termeden's year round spa facilities include multiple indoor and outdoor baths, sauna, steam and relaxation facilities. There are massage and medicated baths, as well as a lemon bath, green tea bath, herb baths, etc. There are outdoor water slides, caves and grotto baths, sweating rooms, and dozens of special spa treatments. There are pools with small Turkish *Garra rufa*, or “Dr. Fish” that suck and nibble on bathers as an exfoliation treatment. There are fitness and exercise rooms, and onsite medical staff. Modeled after a German *kurort* or holistic curing spa, visitors are encouraged to lightly exercise and move about in a relaxed manner from pool to pool, sampling assorted activities and treatments.

Termeden opened 14 January 2006, and is still relatively new. The pools and buildings are well-maintained, with high overall standards of hygiene. The spa is extremely popular on weekends and

holidays, so some guests might prefer relatively quieter off-peak times. But on weekdays the outdoor bath and indoor spa pool are only open 9AM to 7PM - rather restricted hours. This contrasts with typical Korean *jjimjilbang* bathhouses, which often operate all night. (Many hot springs in Japan allow guests to bathe any time).

Termeden Spa seeks to attract both domestic Korean and international visitors. Website information is in both Korean and in English (though the latter section has much less detail than the Korean section), and signs around the facility are often in both Korean & English. While detailed explanations of therapies and operations, and instructions for visitors, are typically only in Korean, foreign visitors nonetheless are welcomed and can easily have a pleasant time at Termeden.

Termeden is serviced by a direct buses to and from Seoul, and is located close enough to from Korea's capital (less than 60km) to become a prospective late afternoon day trip by car. The Icheon countryside has great natural beauty, delicious food, a robust art scene, and wonderful relaxing hot springs available at relatively low cost. What more could a tourist hope for?



Termeden baths are beautiful & spacious, both outdoors and inside.  
Photo source: B. H. Lambert

## **4. Flaccid Hospitality: Termeden Weaknesses**

Roadway signage is confusing when trying to find the Termeden spa, and often without English. The facility is located off by itself down minor countryside roads, so consistent use of the Termeden logo on roadway signage would help.

The Miranda Hotel's SpaPlus is another large natural hot spring in Icheon. Their website is rather friendlier to non-Korean tourists, with information in Korean, English, Chinese and Japanese. While the opening hours and prices of both spas are roughly similar, SpaPlus is located near the city center, which offers assorted dining & lodging options (Termeden offers no nearby lodging as of yet). Termeden's quieter location away from the city means fresher air and more natural beauty; these are dimensions that perhaps could be better emphasized in marketing materials.

Although Termeden Spa is marketed as a year-round facility, two early morning winter visits showed a neglect of important safety and design elements. On those days (1st December in subsequent years) management delayed opening the outdoor facilities due to iciness. Customers could have been endangered moving between the baths, as few of the outside areas have handrails. Staff were outside chipping at ice, cordoning-off large segments of the concrete deckway with safety tape, and communicating uncertainty, while customers waited impatiently indoors. This was somewhat farcical: Korea is cold in wintertime, and designs should have prepared for icy conditions. Indeed, because water connects the largest indoor & outdoor pools, it

was possible to safely swim between them. This should have triggered thoughts of countermeasures. In fact, the landscape architects were badly at fault. Many sites around the world use geothermal energy to keep roads and sidewalks clear of ice and snow: warm water is circulated beneath walkways or streets (or sometimes sprayed onto surfaces), to provide continuous safe passage for cars and pedestrians. Termeden's huge hot water resources should be similarly utilized. The infrastructure could provide warmth to melt the ice and important public education lessons on use of natural resources. It is unfortunate that the Termeden spa design has not yet taken advantage of rather obvious potentialities.

Sitting in an outdoor hot spring during winter is magnificent; all the better when it is snowing, the air temperature is crisp and frigid, or under moonlight. The outdoor baths might better be open longer hours; adding overnight lodging facilities would surely be attractive to tourists.

The ambience of the baths could also be improved. Assorted posters, pennants and advertisements scattered around the outdoor facilities detract from the natural environment. Instead of loud music or radio, perhaps “new age” music or quiet might be preferred. There might also be better consideration of meditative adult guests or couples, as the present family-friendly layout can be rowdy. Termeden's large-scale design could perhaps preclude peacefulness and intimacy: the facility claims a simultaneous capacity of 3500 bathers, and up to 8000 people per day. Yet certainly they could setup some more tranquil & isolated corners. (Termeden's local competition, the Miranda Hotel SpaPlus, claims a capacity of 5000 bathers). Relief of stress is cited as the main reason people visit spas worldwide (International Spa Association, 2009), but perhaps





Confusing signs, often only in Korean.  
Photo source: B. H. Lambert, Kayoung Lee, Ryung Yi Chung

Korean consumers are happier than most to relax in relatively busy & crowded conditions?

The food services at Termeden are remarkable only for being uninspiringly ordinary. Termeden offers standard meal options in a grim, rather slippery cafeteria. Bathers leave the floor & seats wet, which can lead to hygiene and safety problems. Many modern spas in contrast have fresh healthy choices, served in upmarket well-designed dining areas and emphasizing locally-grown produce.

Signage around the facilities is erratic, often only in Korean. While some signs offer English translation, little or no language assistance is in Japanese or Chinese language.



Photo source: Kayoung Lee & Ryung Yi Chung

Termeden's restaurant is very casual, Bathers leave the floor & seats wet, which can lead to hygiene and safety problems. The food is uninspiring. A more up-market healthy dining room would certainly appeal to some visitors.

## 5. Can Termeden Become a Driver for Regional Development?

There are many ways Termeden could initiate joint marketing or co-marketing with local or international partners. As mentioned, the Miranda Hotel's SpaPlus is another large local spa. Perhaps both spas could develop a friendly rivalry, urging customers to experience each of them to compare their waters and charms. Links might be developed with other spas in Korea as well, cultivating a more informed clientele.

An article on Icheon was recently featured in the magazine *Korea: People & Culture* (May 2010, p 24-31) published by the government-run Korean Culture and Information Service. It mentions that each year more than one million people visit the Icheon Ceramic Festival. The article highly praises the excellent porcelain, and is also eloquent about the delicious local rice and the Korean dogwood (*sansuyu*); but the hot springs are not mentioned. This is a shame – the attractiveness of Icheon as a destination can be greatly enhanced by emphasizing the full-set of famous elements (porcelain, rice & foods, natural environment and hot springs) as each supplements the others. Visitors can enjoy this assortment of distinguishing characteristics which make the region great; people less enamored with any one element may be attracted by the others.

Termeden has already invested heavily in top-quality infrastructure. But attempts to attract large masses of people are as likely to repel many of the more sensitive (and perhaps more wealthy) customers. There exist great opportunities for marketing

and for special events. The facilities could offer special late night or early morning themes, for dating couples only, or perhaps a swimwear optional evening. A moderate investment could allow construction of a more exclusive “add-on” zone. This strategy is used in Tokyo’s Spa LaQua, which offers adults only the option at moderate additional cost to visit their “Healing Baden” - a quieter oasis and relaxation space with assorted special treatments.

There is likely to be strong interest among spa aficionados if overnight use of Termeden facilities could gradually be cultivated. Perhaps this could begin with a single night per week for the outdoor baths to remain open; or perhaps even once a month, the night of the full moon. Whatever the weather, clear or rainy, overcast or snowing, soaking at night in an outdoor bath surrounded by quiet crisp clean air can be a peak experience. Termeden could add such an option quite inexpensively, and with effective marketing could attract a great many more eager visitors.

Korean firms successfully sell assorted manufactured goods around the world. But despite such success, few goods have characteristics recognizably associated with Korea. The marketing of Korea as a tourist destination could also be greatly improved. Yet Korean technology is at the forefront of some key industries relating to the spa experience and wellness; positive associated worldwide growth prospects include:

- construction & engineering
- beverages (especially aromatic & refreshing teas, liquors, and other distinctive Korean drinks)
- natural dyes & textiles
- electronic equipment aimed at well-being
- fresh seasonal healthy foods ("banchan")

Growth of the spa market would likely stimulate the above industries and market segments, as well as providing an important boost to some less-travelled regions around the country.

The very many hot spring enthusiasts living in Japan, Taiwan, Singapore and elsewhere would greatly enjoy a spa package featuring Termeden and / or other Korean spas. Packaging domestic transportation, lodging, meals and spa visits for overseas visitors could be quite popular, as Korean language and information barriers still discourage prospective foreign guests. Ultimately, cross-border tourism and mutual positive experiences build stronger foundations for regional peace & prosperity. Huge public expenditures on defense and militarist weaponry can perhaps be minimized through extensive grass-roots interaction led by inward & outbound tourism.

## 6. Conclusions & Implications

Spa locations have attracted travelers for millennia. Many places would develop natural spas if it were possible, but in many parts of the world it is economically or technically unfeasible to obtain natural hot spring water, or the water emerging from the earth may be polluted or otherwise unsuitable for spa use. The natural hot waters of Icheon and Termeden are a valuable resource.

The popularity of relaxing hot springs is quickly growing around the world. Spas have become important magnets for tourists, and key sources of employment with wide-ranging ancillary services. Termeden could follow such a successful path, and its marketing focuses on an infrastructure reportedly following European spa traditions. The success of Termeden to attract a wider international clientele would likely also spillover positively to other Korean tourist spots. But while there is still rather far to go for Termeden to become a world-class destination, many key investments and infrastructural components already exist. If management can become more attentive to ambience, slightly broader in satisfying anti-stress and spiritual requirements, and better prepared to cater to international guests from neighboring nations, there are substantial new business opportunities for the Termeden facilities and the wider community.

## Discussion Questions

1. What infrastructural and marketing initiatives might help make Termeden Spa more attractive?
2. Detail examples of spa success elsewhere that could be applied at Termeden Spa.
3. Are there Korea-specific dimensions to a spa visit which could attract overseas visitors?
4. Spas can be strong drivers of both domestic and international tourism. Are there public funding sources available for promoting Termeden Spa and Icheon? In what ways can the effects of promotional expenditures be charted and audited?
5. Discuss assorted joint marketing partnerships which Termeden might develop to share costs. What international partnerships might be possible?

6. There is a long history around the world of some spas claiming almost miraculous curative or transformative powers. Discuss the pros & cons of such fame.
7. How important is spa staffing and training? Discuss assorted formats for deploying aestheticians and massage therapists (employees, outsourced subcontracting, independent contractor, etc.).
8. What dangerous elements of the spa business should proprietors prepare for?
9. Discuss the comment "Well-being is good business" and the idea that spa usage is countercyclical (surging in times of economic troubles). Which spa services are most and which are least sensitive to changing demand in respect to price?



10. Is it mutually exclusive to cater to kids & family fun vs. wellness & relaxation? How can these different business elements best be reconciled?
11. Some resorts (such as Aqua City, Pograd, Slovakia) have become models of good environmental operations: low energy footprint, sustainability, recycling, etc. Are such concerns also of growing importance in Korea? Where are Korean best practices for environmentally-friendly green resorts?
12. Discuss the wide range of revenue sources that might be generated around a hot spring spa.

## Top 20 Spa Countries

Rank & Country	Estimated total 2007 spa revenues (US\$ billions), and percentage of total	
United States	\$12.06	25.8%
Japan	\$5.67	12.1%
Germany	\$3.84	8.2%
France	\$2.30	4.9%
Italy	\$2.24	4.8%
United Kingdom	\$1.72	3.7%
China	\$1.72	3.7%
Spain	\$1.53	3.3%
Canada	\$1.46	3.1%
South Korea	\$1.26	2.7%
Austria	\$1.22	2.6%
Mexico	\$0.87	1.9%
Russia	\$0.82	1.8%
Switzerland	\$0.70	1.5%
Australia	\$0.44	0.9%
Greece	\$0.43	0.9%
Argentina	\$0.42	0.9%
Thailand	\$0.39	0.8%
India	\$0.38	0.8%
Hong Kong	\$0.37	0.8%
other nations	\$6.96	14.9%
Total	\$46.8	100%

SRI International (2008), p. 18

## References

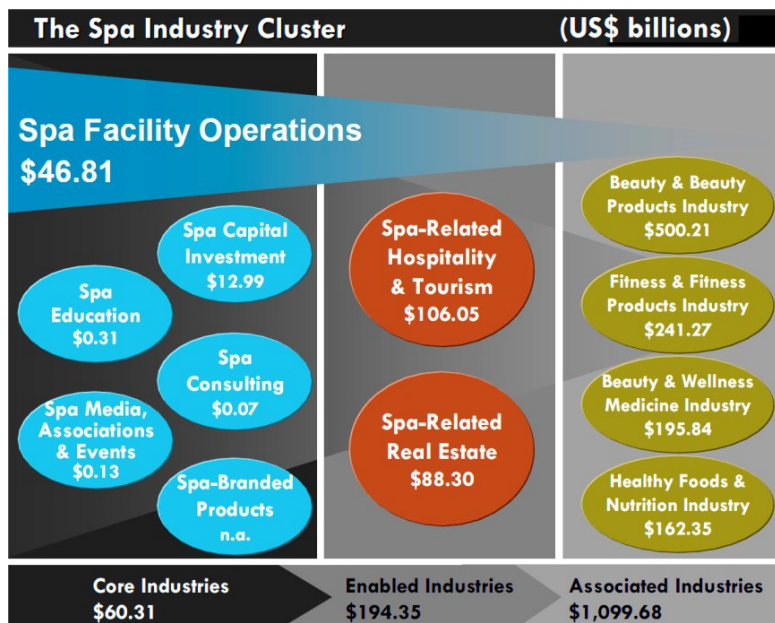
Global Spa Summit & SRI International (2010) *Spas and the Global Wellness Market: Synergies and Opportunities*. (May 2010) NY: Global Spa Summit.

International Spa Association (2009) "Worldwide, stress is the No. 1 reason people spa." (12 Feb 2009 press release), Lexington, KY: ISPA.

Korean Culture and Information Service (2010) "Icheon." in *Korea: People & Culture* (May 2010), Seoul: KOCIS – 해외문화홍보원, pp 24-31.

Smith, Melanie Kay & László Puczkó (2008) *Health and Wellness Tourism*. Amsterdam: Butterworth-Heinemann.  
ISBN 9780750683432

SRI International (2008) *Global Spa Economy 2007*. NY: Global Spa Summit.



**Revenues from Core + Enabled Industries = US\$254.66 billion**

see SRI International (2008), p.15

Core Spa Industries worldwide (2007) = US\$ 60.31 billion

Market size of "Enabled Industries" = 3.2 times core size

Market size of "Associated Industries" = 18.2 times core size

# Localversity®

More Place Marketing Strategies  
and study programs via our website:  
<https://Localversity.com>